

changes and fifteen other years ten or more changes each. The frequency of the changes in 1873 was due to the large operations in bills arising out of the payment of the French war indemnity to Germany.¹ The result of these repeated variations was to afford a low rate for money during most of the period covered. A rate not exceeding two and a half per cent, was charged during 6434 days, from 1844 to 1900, or more than one-quarter of the time; a rate not exceeding three per cent, was charged during 11,341 days, or more than half the time (including the lower rate); and a rate not exceeding four per cent, was charged during 15,778 days, or more than three-quarters of the time.²

Changes in the discount rate at London were numerous during the early years of the twentieth century, the average falling only once prior to 1908 as low as three per cent. The average rate in 1901 was 3.72; in 1902, 3.33; in 1903, 3.75; in 1904, 3.30; in 1905, 3.00; in 1906, 4.27; and in 1907, 4.93 per cent.³ The maximum rate of 1905 was four per cent., and this or three and a half per cent, prevailed until October, 1906, but then began the pressure on international money markets which forced an advance to six per cent, within the month and its continuance into January, 1907. Seven changes in the rate marked that troubled year—on January 17th, to five per cent.; on April 1st, four and a half per cent.; on April 25th, four per cent.; on August 15th, four and a half per cent.; on October 31st, five and a half per cent.; on November 4th, six per cent.; on November 7th, seven per cent.

The higher rates, however, after 1878 were enforced only upon the outside public. Private bankers and brokers adjusted their rates so promptly to changes in market conditions, and made such discriminations between first-class bills and ordinary trade bills, that the Bank of England felt

¹ Eastern, *Banks and Banking*, 132.

² Palgrave, 102.

³ *Bulletin de Statistique*, January, 1908, LXIII, 136.